



Parkhall Integrated College

Private School Fund Policy

Agreed by Board of Governors: May 2022

To be reviewed: May 2024

Rationale

At Parkhall Integrated College we are committed to ensuring effective and efficient use of all funds. Voluntary funds, sometimes known as private funds, are funds (other than LMS budget) controlled wholly or in part by an employee by reason of their employment or, in the case of governors, position given at the College. They include monies collected from pupils for College activities.

The Audit Commission states that:

"Voluntary funds often provide schools with a substantial additional source of income. Although such funds are not public money, the standards for the guardianship of these, need to be as rigorous as those for the administration of the school's delegated budget; Parents, pupils and other benefactors are entitled to receive the same standards of stewardship for the funds to which they have contributed". - Keeping Your Balance, Audit Commission, October 2000.

Purposes

This policy has been established to ensure that the College meets all expected standards when handling private funds. All members of staff are required to adhere to the policy when dealing with the private funds of the College.

Guidelines

Summary of general requirements

- An appropriate financial and managerial framework is in place.
- All private funds are clearly titled, contain the College name and do not contain reference to any individual.
- A minimum of two signatories are required to sign cheques.
- Cheques are never pre-signed.
- Bank accounts are reconciled frequently.
- All income is receipted and banked promptly.
- Appropriate and accurate financial records are maintained.
- All cash is counted and reconciled in the presence of two people.
- Receipts are retained in support of all payments.
- Private funds are kept separate from all other College funds.
- All Private School Fund accounts are independently reviewed. No collected monies are ever paid into personal accounts.
- All staff must be made aware of this policy.

Roles and responsibilities

The governing body has a responsibility to ensure:

- A policy is clearly defined, agreed and minuted for the purpose of managing private funds.
- They are made fully aware of all private funds and are made aware of any changes to fund arrangements.
- The fund is administered in accordance with the established procedure.
- The appointment of suitable auditors.
- Audited annual statements are received.
- They receive explanations on the administration and conduct of the fund.
- Is responsible for the organisation and control of all private funds.

The Principal

- Must ensure all members of staff dealing with funds are fully aware of procedures.
- Carries out periodical checks such as confirmation of monthly reconciliation.
- Maintains a register of all private funds.
- Recommends to governors suitably qualified persons to act as auditors.
- Ensures that all records are retained.
- Provides explanations as required to auditors.
- May delegate some of these duties but remains responsible for their implementation.

- Specifically has responsibility for monies in the School Fund account and can authorise expenditure up to £500.

Teaching staff:

- Must keep suitable records in accordance with guidelines when involved in trips, visits and sponsored events.
- Must ensure all income collected is handed to the Finance Officer regularly.
- Only staff delegated by the Principal may pay expenditure from income collected. Should it be necessary for payments to be made, a cheque should be obtained from the Finance Officer.

Income

The main sources of income to the fund are:

- Payments/Voluntary contributions towards the costs of College trips.
- Parental contributions to school fund
- Fund raising activities.
- One-off donations.
- Interest on deposited money.
- Surpluses from trips or events which equates to less than £5 per student attending.

All income must have supporting paperwork. Records for the above should identify each individual payee and the amount given. These records should be kept for 7 years in accordance with the Department of Education's 'Disposal Schedule for Schools'. It is good practice, if feasible to have 2 people counting income, particularly during College events when there may be large sums of money. At a minimum all transactions must have a supporting remittance record of all payments (cash and cheque) received with a copy of the paying-in slip. Income is banked on a regular basis, at least monthly.

Expenditure

Expenditure may be incurred in accordance with the following guidelines:

- Income from school fund raising activities and any deposit interest may be used for any expenditure that supports the aims of the fund.
- Income from parental contributions should be utilised for expenditure on educational resources.
- Expenditure on visits should be matched by parental contributions. Charges should be levied such that no profit is made.
- Income from charitable, parental or other donations for named projects may only be used for the named project.

Payments will only be made from the funds when supported by an authorised invoice or voucher.

Expenditure transactions are processed by the Finance Officer and authorised by the Principal.

Details of all payments are entered on a spreadsheet used to manage the College Private Funds.

Supporting paperwork is filed in date order.

Banking arrangements

- Bank accounts are to be maintained at Danske Bank.
- All bank accounts must be in the name of the College and not in the name of any individual.
- Due consideration should be given to current account balances to ensure funds which are surplus to immediate requirements are lodged in a deposit account or with a building society.
- Signing authorities (mandates) should detail that cheque withdrawals require two signatures. Signatories should be of suitable seniority and are reviewed annually.
 - The following persons are authorised to sign on the School Fund and Petty Cash accounts:
Principal
Principal's Secretary
 - The following persons are authorised to sign on the Home Economic account:
HE HOD
- Blank cheques must never be pre-signed.
- Debit cards are held on the account and must be used in accordance with the College's Debit Card Policy (see Appendix A).
 - The following persons hold a College Debit Card on the Private Fund account;
School Fund -
Home Economic Account – HE HOD
- Cash and cheques should be banked regularly, at least monthly
- Cash/cheques should be deposited intact by the day of banking with the Finance Officer.
- Collections should be verified and receipted by the Finance Officer.
- Cash must never be left on an unattended desk or in a locked drawer.

- Income should be segregated from official funds and held in a lockable cash box or College safe, prior to banking.
- Personal cheques must not be cashed through private funds and private funds must not be operated through personal bank accounts.
- Loans must not be made from private funds.

Accounting records

Parkhall Integrated College Finance Spreadsheet maintenance:

- Financial records are maintained to account for all transactions. Finance Spreadsheet highlights all income and expenditure which enables the production of year-end accounts and the preparation of statements.
- All Finance Spreadsheet entries are supported by evidence such as statements of income and receipts.
- The Finance Spreadsheet is updated weekly.

Bank reconciliations

- Bank statements are reconciled to the transactions in Finance Spreadsheet on a monthly basis. All individual items of income and expenditure are matched to the items on the bank statement.
- If a cheque is not presented within six months, it becomes out-of-date and cancelled. The relevant amount is then deducted from the expenditure side of Finance Spreadsheet.
- Termly reviews of current accounts must be undertaken and signed off by the Principal.

Dissolution of private funds

- The College's private fund will be dissolved if the College closes or amalgamates with another school.
- If the College amalgamates, any remaining assets will be given to the school for the benefit of the children in a charitable manner.
- If the College has closed, any assets will be given to a local children's charity as chosen by trustees\Governors

Auditing/Reviewing private funds

- Private funds will be audited annually.
- The funds will be audited by an independent person who is not associated with the funds in any other way.
- Large private funds will be audited by a qualified accountant who will provide a certificate in accordance with professional standards.
- Small funds may be audited by a suitable Board of Governor.
- A copy of the audited financial statements is available for viewing by parents on request.

Monitoring and review

- The Board of Governors is responsible for monitoring and reviewing the Private Funds Policy.
- The Policy will be reviewed on a biennial basis.

Expenditure of a non-educational nature

- Any expenditure which cannot be deemed to be educational in nature should be carefully considered before being allocated to the College's private fund.
- Non-educational spending can be made from the College's private fund as long as this is complimentary to the best interests of the College, for example, for the purpose of maintaining staff morale, and for the benefit of students.
- Any non-educational expenditure is to be made at the discretion of the Principal.
- Where the Principal refuses to exercise this discretion, some expenditure which is not for the purpose of education can be made independently of the official accounts and the private fund. An example of this could be where staff organise collections for the purchase of gifts for fellow staff members.

Appendix A**Parkhall Integrated College Private Fund Debit Card Policy**

Parkhall Integrated College makes debit cards available for the College's Private Funds to officers of the College who are signatories for the College Private Fund Bank Accounts – School Fund, Petty Cash and Home Economics. This policy is intended to provide detailed guidance and assistance in obtaining and using debit cards and describes the responsibilities and restrictions which cardholders must accept before being provided with any such card.

Any attempt by the cardholder to make changes to the College's terms and conditions of the card or the associated bank account will be reported to the Principal by the Bank and may be treated as a disciplinary offence. The Principal will report the activity to the Education Authority.

Obtaining Cards

- A debit card is issued for use in conjunction with the Private Fund Accounts. All cards are issued for the sole purpose of facilitating the carrying out of College business that would ordinarily fall within the approved use of the College Private Funds.
- Up to a maximum of two cards can be issued against account.
- Debit cards will be provided by Parkhall Integrated College's bankers who are Danske Bank.
- Debit cards must only be used by the authorised signatory named on the card and must not be used by any other person. Any cardholder allowing the card to be used by another person will be committing a disciplinary offence.
- Staff will be required to sign a declaration form confirming they understand the policies and procedures for use of a debit card before an application can be approved (This is attached and headed – Parkhall Integrated College Debit Card Declaration Form).

Use of cards

Cards can be used for cash withdrawals; on-line and point of sales transactions in accordance with purchasing protocols, financial regulations and this policy document, within the pre-defined limits of the accounts. The following procedures cover these three transaction types and reconciliation requirements.

Cash withdrawals:

- Unless in an emergency situation, the withdrawing of cash from ATM's is not allowed.
- A receipt must be obtained and be made available for inspection when required i.e. it should be held with all receipts pertaining to the Private Funds account.
- The cardholder must ensure that the correct amount of cash is received at the point of receipt and register any discrepancies with the bank/store immediately, or the following working day if out of normal business hours. The Principal and Finance Officer should also be informed.
- Any cash balances from withdrawals will need to be returned to the card holder's base as soon as operationally possible with receipts to account for any expenditure. An officer independent to the withdrawal transaction should count the cash, record and sign in the petty cash records and ensure it is securely entered into the cash box/safe etc.

On-line and point of sales transactions:

- Debit cards must only be used to acquire goods and services for approved College Private Fund purposes.
- A receipt must be obtained and be made available for inspection when required i.e. it should be held with all receipts pertaining to the Private Fund account. If any purchase contains any charges for VAT a proper VAT receipt or invoice should be obtained.
- Transactions and supporting documents (such as receipts) must be kept for a period of six years plus the current financial year by the relevant department for audit purposes.
- Payments made via debit card are limited to the cleared funds available in the Private Funds account.

Reconciliation and inspection:

- All debit card transactions will appear on the Private Funds account's bank statement, the receipts/invoices obtained must be reconciled to the statement, on a monthly basis as a minimum.
- All receipts and the reconciliation schedule must be checked, authorised and countersigned by the Principal or the Finance Officer.
- A bank statement will be sent to the College on a monthly basis.

Restrictions

- Debit cards must not be used for any non-College business or personal expenses.
- Only secure sites should be used to make purchases via the internet with a web address beginning HTTPS. If you have any doubt, then you should contact your IT service provider.
- Personal loyalty cards/ store cards (Nectar etc.) must not be used in conjunction with College debit cards.
- Card insurance and/or subscriptions for card protection services must not be purchased.
- Debit cards must not be used to enter into an on-going (recurring charge) agreement e.g. for subscriptions.
- The only person authorised to use the card is the cardholder. If card details are retained by an online website then the cardholder must be the only person who authorises transactions on that website.
- The card holder shall not make any attempt to change the terms and conditions on which the card is held.

Security

- The card will only ever be used by the person named on the card.
- It is the personal responsibility of the card holder to ensure the card is kept secure at all times and cannot be accessed by any other persons. Reasonable steps should be taken to ensure the card details cannot be viewed or overheard by any other persons.
- It is recommended for security reasons that wherever possible transactions are processed by the cardholder being physically present at the point of sale.
- The card's Security PIN number must be kept secure and not disclosed to anyone else, under any circumstances. No one at the College will ever ask you for your security PIN details.
- The bank must be notified immediately if the card is lost or stolen or fraudulent use is suspected.
- The cardholder will surrender their card to the Principal or the Finance when the cardholder leaves the employment of the College or if circumstances change so that a card is no longer required. The card should then be destroyed by the Principal or the Finance Officer who will immediately then notify Danske Bank promptly. The cardholder agrees to be held personally liable for any transactions processed through the card until the time when the card is physically surrendered.

Fraudulent or misuse of the card

If the cardholder misuses the card or fraudulently uses the card or permits any other person to use the card, this may result in disciplinary action being taken against the cardholder.

These policy Guidelines are translated into action through other policies and procedures, for example:

Educational Trips and Residential Policy